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The Paisley Affair

A CIA tale of b and intrigue

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WASHINGTON — It was a sun-swept afternoon, September 24, 1978. A lone sailor — middle-aged, tanned, with a scraggly beard — allowed his 31-foot sloop, the Brilli, to drift across the shimmering waters of Chesapeake Bay. He studied some documents from his briefcase. He switched on and off his very special radio. He munched on a pickle loaf sandwich.

Then something extraordinary happened. Something violent. Something that shook American national security to its foundations and is still reverberating around the world in financial scandals, murders and the nuclear brinkmanship of the superpowers.

Exactly what happened to John Arthur Paisley three years ago is not known for certain by anyone who will talk about it. The Central Intelligence Agency, for which he worked much of his life as an expert on Soviet nuclear capabilities, the Federal Bureau of Investigation, and the Senate Intelligence Committee may know. But their reports remain clamped under a tight lid of secrecy.

Paisley, 55, never finished his sandwich and never returned from that day at sea. A bloated, blood-draughted corpse with a 9mm bullet lodged in the brain was dragged out of the bay a week after the empty Brilli ran aground.

Soon thereafter, the Maryland State Police identified the body as Paisley's and the cause of death as suicide. Official accounts from the police, FBI and CIA, pictured Paisley as a "low-level analyst" retired from the CIA, who committed suicide in despondency over his estrangement from his wife Maryann.

It took only a few weeks, however, for investigative reporters in cities that dot the Chesapeake area to tear through all three points in the official story with a

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this day, there are seriou Paisley's and whether th suicide.

Paisley's disappearance and possible death rocked Washington in the fall of 1978. One CIA source remarked at the time that "this thing is so big it touches every vital nerve in Langley," the CIA's headquarters. A senator confided more than a year later that the Carter administration's failure to win Senate ratification of the SALT agreement had "a very great deal" to do with concerns that Paisley's disappearance had somehow compromised U.S. satellite verification abilities — the field in which Paisley was most expert.

Three years later, the demand for answers about Paisley has not abated. The mystery has grown only more knotted and troublesome as a continuing tale of blood and intrigue is associated with Paisley's name:

- In mid-1980, the Nugan-Hand Merchant's Bank in Australia collapsed with Francis J. Nugan having been found murdered earlier in the year and his American partner, Jon Michael Hand, having disappeared. Scandalous revelations poured out about the CIA's use of the bank to launder funds for international covert action. It was an important enough institution for former CIA director William Colby to have been Nugan's personal lawyer in America, and it has recently come to light that Paisley was particularly preoccupied with Nugan-Hand's operations in August and September 1978, only days before his disappearance. He had specifically asked a former consultant to the bank to join him at Coopers and Lybrand, an accounting firm intimately involved in the CIA's financial affairs where Paisley was employed after his formal retirement as deputy director of the Office of Strategic Research at the CIA in 1974.